

Message Text

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TO AMEMBASSY ABU DHABI PRIORITY

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TAGS: PFOR, EGEN, OVIP (KISSINGER, HENRY A)

SUBJ: SECRETARY KISSINGER'S SPEECH BEFORE THE 7TH

SPECIAL SESSION OF THE UNGA

FOLLOWING TEL USIA WIRELESS FILE ITEM IPS-6 SEPT 01:

QUOTE IPS-6

KISSINGER URGES MAJOR NEW INTERNATIONAL INITIATIVES TO
HELP LDC'S. (900)

BY JOHN J. HARTER

IPS STAFF WRITER

WASHINGOON, SEPT. 1 -- IN A MAJOR POLICY STATEMENT,
SECRETARY OF STATE KISSINGER HAS ANNOUNCED SOME TWENTY
SEPARATE PROPOSALS DESIGNED TO SPEED ECONOMIC GROWTH IN THE
DEVELOPING COUNTRIES.

THE PROPOSALS AMOUNT TO A PROGRAM OF PRACTICAL STEPS
RESPONDING TO THE EXPRESSED CONCERN OF THE DEVELOPING
NATIONS, ACCORDING TO A SENIOR STATE DEPARTMENT OFFICIAL.
THE PROGRAM WOULD REDEFINE OBLIGATIONS AND RIGHTS OF DEVELOP-

ED COUNTRIES AND DEVELOPING COUNTRIES ALIKE, THE OFFICIAL

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SAID.

IN AN ADDRESS READ FOR HIM AT THE UNITED NATIONS
BY AMBASSADOR DANIEL P. MOYNIHAN ON SEPTEMBER 1, SECRETARY

KISSINGER IDENTIFIED FIVE MAJOR AREAS OF PROBLEMS AND POSSIBLE SOLUTION FOR CONSIDERATION BY THE CURRENT SPECIAL SESSION OF THE U. N. GENERAL ASSEMBLY:

- TO STABILIZE OVERALL EXPORT EARNINGS FOR ALL COUNTRIES;
- TO ACCELERATE ECONOMIC GROWTH BY IMPROVING DEVELOPING COUNTRIES' ACCESS TO CAPITAL, TECHNOLOGY, AND MANAGEMENT SKILLS;
- TO BRING ABOUT "FUNDAMENTAL STRUCTURAL IMPROVEMENT IN THE RELATIONSHIP OF THE DEVELOPING COUNTRIES TO THE WORLD TRADING SYSTEM";
- TO INSTITUTE A COMPREHENSIVE NEW APPROACH TO FOOD AND OTHER COMMODITIES; AND
- TO ACCORD SPECIAL HELP TO THE POOREST COUNTRIES.

DR. KISSINGER'S SPECIFIC PROPOSALS INCLUDED A GREATLY EXPANDED LENDING FACILITY IN THE INTERNATIONAL MONETARY FUND (IMF) TO HELP DEVELOPING COUNTRIES SUSTAIN ECONOMIC DEVELOPMENT PROGRAMS THREATENED BY MAJOR SHORTFALLS IN THEIR EXPORT EARNINGS. SUCH A "DEVELOPMENT SECURITY FACILITY" WOULD, THE SECRETARY SAID, "PROVIDE UNPRECEDENTED PROTECTION AGAINST DISRUPTIONS CAUSED BY REDUCTIONS IN EARNINGS -- BOTH FOR COUNTRIES WHOSE EXPORTS CONSIST OF A FEW COMMODITIES AND FOR THOSE WITH DIVERSIFIED AND MANUFACTURED EXPORTS WHOSE EARNINGS ALSO FLUCTUATE WITH BUSINESS CYCLES." IT WOULD REPLACE THE FUND'S EXISTING "COMPENSATORY FINANCING FACILITY," WHICH HAS BEEN LITTLE USED.

THE SECRETARY SUGGESTED THAT THIS FACILITY MIGHT GIVE LOANS OF UP TO 2,500 MILLION DOLLARS OR MORE IN A SINGLE YEAR, WITH A POTENTIAL OF 10,000 DOLLARS IN OUTSTANDING LOANS. THE UNITED STATES WILL PRESENT DETAILS TO THE IMF BOARD OF DIRECTORS LATER THIS MONTH.

SECRETARY KISSINGER ALSO ANNOUNCED THAT PRESIDENT FORD WILL SEEK AUTHORIZATION OF A DIRECT U.S. CONTRIBUTION OF 200 MILLION DOLLARS TO THE NEW INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD), WHICH WAS ESTABLISHED AT THE WORLD FOOD CONFERENCE LATE IN 1974, PROVIDED THAT OTHER COUNTRIES WILL ADD THEIR SUPPORT FOR A COMBINED GOAL OF AT LEAST 1,000 MILLION DOLLARS. THE SECRETARY SUGGESTED THAT IFAD COULD BE USED TO SUPPORT A "MASSIVE PROGRAM OF INTERNATIONAL COOPERATION" -- FOR EXAMPLE, TO SUPPORT MORE RESEARCH IN IMPROVE AGRICULTURAL YIELDS AND TO DEVELOP BETTER SYSTEMS OF WATER CONTROL.

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RATION" -- FOR EXAMPLE, TO SUPPORT MORE RESEARCH IN IMPROVE AGRICULTURAL YIELDS AND TO DEVELOP BETTER SYSTEMS OF WATER CONTROL.

SOME OF THE OTHER PROPOSALS INCLUDE:

- THE UNITED STATES WILL SUPPORT A SIGNIFICANT EXPANSION OF THE EXISTING PROGRAMS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (WORLD BANK) AND THE REGIONAL DEVELOPMENT BANKS IN LATIN AMERICA, ASIA, AND AFRICA;
- RESOURCES AVAILABLE TO THE INTERNATIONAL FINANCE CORPORATION -- A WORLD BANK AFFILIATE WITH SPECIAL RESPONSIBILITIES FOR PROMOTING PRIVATE ENTERPRISE IN THE DEVELOPING

COUNTRIES -- SHOULD BE QUADRUPLD, FROM THE PRESENT 100 MILLION DOLLARS "TO AT LEAST 400 MILLION" DOLLARS;

--AN INTERNATIONAL ENERGY INSTITUTE SHOULD BE CREATED, "BRINGING TOGETHER DEVELOPED AND DEVELOPING, CONSUMER AND PRODUCER, ON THE PARTICULAR PROBLEM OF ENERGY DEVELOPMENT";

--EARLY ACTION SHOULD BE TAKEN TO CREATE AN INTERNATIONAL SYSTEM OF NATIONALLY-HELD GRAIN RESERVES TO MEET EMERGENCIES AND IMPROVE THE WORLD MARKET, AND A SIMILAR COOPERATIVE APPROACH COULD BE APPLIED "TO OTHER PRIMARY COMMODITIES THAT ARE SIMILARLY BEYTBV SWINGS OF PRICE AND SUPPLY -- AND THAT ARE SIMILARLY ESSENTIAL TO THE GLOBAL ECONOMY."

--THE UNITED STATES INTENDS TO SIGN THE INTERNATIONAL TIN AGREEMENT, SUBJECT TO CONGRESSIONAL CONSILTATIONS AND RATIFICATION, WHILE RETAINING ITS RIGHT TO SELL FROM ITS STRATEGIC STOCKPILES;

--THE UNITED STATES IS PARTICIPATING IN NEGOTIATIONS ON AN INTERNATIONAL COFFEE AGREEMENT, AND WILL JOIN IN FORTH-COMING NEGOTIATIONS ON COFFEE AND SUGAR AGREEMENTS;

--A NEW ORGANIZATION SHOULD BE CREATED TO COORDINATE AND FINANCE ASSISTANCE TO COUNTRIES SEEKING TO IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF SUCH PRODUCTS AS TIMBER, JUTE, COTTON, AND NATURAL RUBBER, AND TO DIVERSIFY THEIR ECONOMIES;

--THE UNITED STATES WILL SUPPORT A NUMBER OF STRUCTURAL IMPROVEMENTS IN THE WORLD TRADING SYSTEM WHICH WOULD ENHANCE DEVELOPING COUNTRIES' OPPORTUNITIES TO EARN THEIR OWN WAY THROUGH TRADE, PRINCIPALLY THROUGH THE TOKYO ROUND OF TRADE NEGOTIATIONS NOW UNDER WAY IN GENEVA;

--SECRETARY KISSINGER ANNOUNCED THAT ON JANUARY 1, 1976, THE UNITED STATES WILL BEGIN ADMITTING A BROAD RANGE OF UNCLASSIFIED UNCLASSIFIED

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MANUFACTURED GOODS FROM DEVELOPING COUNTRIES DUTY FREE UNDER THE GENERALIZED SYSTEM OF PREFERENCES AUTHORIZED BY THE TRADE ACT OF 1974;

--AGREED STANDARDS OF CONDUCT ARE NEEDED FOR MULTI-NATIONAL CORPORATIONS AND HOST GOVERNMENTS; AND

--THE SPECIAL TRUST FUND PROPOSED BY THE UNITED STATES LATE IN 1974, TO BE ADMINISTERED BY THE IMF, WHICH PROVIDE HIGHLY CONCESSIONAL BALANCE OF PAYMENTS ASSISTANCE TO COUNTRIES HARDEST HIT BY INCREASED PRICES OF OIL AND OTHER FACTORS. RESOURCES WOULD COME BOTH FROM CONTRIBUTIONS BY OIL EXPORTING COUNTRIES AND FROM THE USE OF A PORTION OF THE IMF'S GOLD HOLDINGS.

THE SENIOR STATE DEPARTMENT OFFICIAL, IN EXPLAINING THESE PROPOSALS TO NEWSMEN, EMPHASIZED THAT, WHILE PRESENTED AS A COMPREHENSIVE PACKAGE, THEY WERE SEPARABLE. HE SAID DIFFERENT PROPOSALS WILL BE NEGOTIATED IN VARIOUS INTER-NATIONAL ORGANIZATIONS OVER THE COMING MONTHS AND YEARS.

ITEM

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